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June 12, 1997

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Federal Communications Commission  
Office of Secretary

BY HAND DELIVERY

Mr. William Caton  
Office of the Secretary  
Federal Communications Commission  
1919 M Street, Room 222  
Washington, D.C. 20554

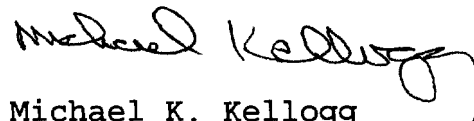
Re: In the Matter of Operator Communications, Inc.,  
d/b/a ONCOR Communications v. BellSouth Telecom-  
munications, Inc., BellSouth Public Communications,  
Inc. and TelTrust Communications Services

Dear Mr. Caton:

Please find enclosed for filing the original and four copies  
of Comments of the RBOC Payphone Coalition on Oncor's Petition for  
Waiver.

Also enclosed is an extra copy to be date-stamped and  
returned.

Sincerely,



Michael K. Kellogg

Enclosures

No. of Copies rec'd 024  
List ABCDE

BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C.

RECEIVED

JUN 12 1997

Federal Communications Commission  
Office of Secretary

In the Matter of

Implementation of the Pay Telephone	)	
Reclassification and Compensation	)	CC Docket No. 96-128
Provisions of the	)	
Telecommunications Act of 1996	)	
	)	
Policies and Rules Concerning	)	CC Docket No. 91-35
Operator Service Access and	)	
Pay Telephone Compensation	)	

**COMMENTS OF THE RBOC PAYPHONE COALITION  
ON ONCOR'S PETITION FOR WAIVER**

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On the heels of a reasonable waiver request submitted by Telco Communications Group ("Telco"), Oncor Communications Inc. ("Oncor") has also petitioned for a waiver of the payphone compensation rules. But the waiver sought by Oncor is very different from the one submitted by Telco, and manifestly unreasonable. Oncor seeks not to pay per call compensation ahead of schedule, but to evade payment altogether during the interim period. And, although in the alternative it seeks to move to per call compensation ahead of schedule, it proposes to give itself an unjustified and unsupported discount in the per call compensation rate, from \$0.35 per call to \$0.25 per call.

The RBOC Payphone Coalition opposes Oncor's petition. Subject to certain conditions listed below, however, the Coalition would not oppose a proper petition for a waiver by any interexchange carrier willing and able to begin paying per call compensation immediately.

In the first instance, Oncor suggests it should be exempt from interim compensation altogether since it allegedly did not report annual revenues in excess of \$100 million in 1996. Oncor Pet. at 2. But, in revising its rules, the Commission stated explicitly that "[t]his [interim] compensation shall be paid by interexchange carriers (IXCs) that earn annual toll revenues in excess of \$100 million, as reported in the FCC staff report entitled 'Long Distance Market Shares.'" Report and Order, Implementation of the Pay Telephone Reclassification Provisions of the Telecommunications Act of 1996, CC Docket 96-128, Appendix D at 180 (rel. Sept. 20, 1996) ("Report and Order"). As Oncor concedes, the most recent issue of the Long Distance Market Share staff report indicates that Oncor had more than \$100 million in revenue. If Oncor considers these figures inaccurate, it should take this matter up with the staff. (If the staff issues a revised report, each individual IXC's compensation obligation must be redetermined pursuant to the procedures laid out in ¶ 119

of the Report and Order.) In raising this issue in a waiver petition, Oncor is simply making an out-of-time petition for reconsideration of the Report and Order's requirement that compensation obligations be based on the market shares and revenue figures contained in the staff's Long Distance Market Share report. Oncor's petition for exemption from its interim compensation obligations thus should be denied.

In the alternative, Oncor has requested a waiver to permit it to pay interim compensation on a per call basis. But this waiver request is flawed in at least two respects. First, Oncor seeks to pay only \$0.25 per call. The default rate established by the Commission is \$0.35 per call. Report and Order at 38, ¶ 72. While Oncor notes that it -- along with AT&T and Sprint -- was previously authorized to pay compensation of \$0.25 per access code call, Oncor Pet. at 3 n.10, it has failed to recognize that "Section 276's requirement that [the Commission] ensure fair compensation for 'each and every completed intrastate and interstate call,' including access code calls, supersedes the compensation obligations established in CC Docket No. 91-35, including the waivers granted to AT&T and Sprint." Report and Order at 61, ¶ 119. Oncor's past waiver to provide compensation (at \$0.25 per call) is simply irrelevant to Oncor's current

compensation obligations, which -- as set out in the payphone orders -- are initially established at \$0.35 per call.

Second, Oncor seems to imply that it will pay compensation only to independent (i.e., non-LEC) payphone providers. See e.g., Oncor Petition at 5 (seeking waiver "permitting Oncor to compensate private payphone owners in equal access areas at a rate of \$.25 per call") (emphasis added). But the payphone orders mandate that payphone service providers ("PSPs") affiliated with local exchange carriers receive compensation once they have effective tariffs removing all intrastate and interstate subsidies. Report and Order at 27, ¶ 50. Oncor must accordingly pay compensation to LEC and non-LEC PSPs alike.<sup>1</sup>

Notwithstanding the fact that any waiver of the interim compensation requirement would reduce the compensation payments that payphone service providers will receive, the members of the RBOC Payphone Coalition -- the Bell Atlantic telephone companies,

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<sup>1</sup>It is also unclear what if any limitation Oncor is proposing by limiting its per call obligation to "equal access areas." If Oncor serves no payphones in non-equal access areas, then obviously it will not pay any per call compensation in those areas because it will handle no calls from those areas. But if Oncor does handle any such calls, it is obliged to pay per call compensation. Thus, the qualifier "in equal access areas" is either meaningless or wrong. In either event, it should be dropped.

BellSouth Corporation, NYNEX Corporation, Pacific Bell and Nevada Bell, Southwestern Bell Telephone Company, and U S WEST, Inc. -- have stated that they will not object to a proper petition by any IXC to move to a true per call compensation scheme. See Comments of the RBOC Payphone Coalition on Telco's Motion for Waiver (June 3, 1997). Any such waiver, however -- beyond requiring payment of \$0.35 per call and applying to all PSPs, LEC and non-LEC -- should be subject to three conditions. First, PSPs must be able to verify that the IXC in question is in fact able to pay true per call compensation. That is, the IXC must have in place an auditable tracking system.

Second, in moving to true per call compensation ahead of schedule, the IXC must pay compensation on all compensable payphone calls to all qualifying payphone service providers. As the Recon. Order makes clear, IXCs are required to pay compensation for "all calls originated by payphones, *including 0+ calls for which there is no contract that compensates the PSP.*" Recon. Order at 27, ¶ 51 (emphasis added). Consequently, the RBOC Payphone Coalition requests the Commission clearly to state in granting any such waiver that the IXC in question must pay per call compensation not merely for access code and 800 access code calls, but also for the subscriber 800 calls and 0+ calls that

originate on a payphone for which no payphone service provider compensation is otherwise payable.

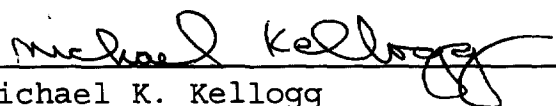
Third, consistent with the Commission's emphasis on negotiated solutions, the RBOC Payphone Coalition proposes that payments should be made on a monthly basis. This will ensure prompt reimbursement, prevent payphone service providers from having to provide the equivalent of short-term financing to interexchange carriers, and ensure timely identification, verification, and resolution of any potential disputes.

The Commission has stated that deadlines for payment and departures from the interim compensation scheme may be established by "mutual agreement" between interexchange carriers and payphone service providers. Recon. Order at 53, ¶ 112 (payment intervals to be established by mutual agreement); id. at 61, ¶ 129 (early moves to per call compensation permissible where payphone service providers and carriers "mutually agree[]" thereto). The Coalition believes that monthly payment is appropriate and will not agree to any proposed waiver that does not include such a provision.

### **Conclusion**

For the reasons given, Oncor's petition should be denied. The RBOC Payphone Coalition will not, however, oppose any properly framed petition to move to true per call compensation subject to the conditions noted above.

Respectfully submitted,

  
Michael K. Kellogg  
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Counsel for the RBOC Payphone Coalition

June 12, 1997



CERTIFICATE OF SERVICE

I hereby certify that on this 12th day of June, 1997, I caused copies of the foregoing Comments of the RBOC Payphone Coalition on Oncor's Petition for Waiver to be served upon the parties listed below by hand delivery or overnight mail.

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